



Well City Milwaukee Five Employer Case Studies Executive Summary

Prepared by Core Health Group

Evaluation Consultants: Connie Roethel, RN, MSH, and Michelle Spehr, MA, M.Ed., CHES

Well City Milwaukee in collaboration with:



March 2016



Well City Milwaukee Five Employer Case Studies Executive Summary

Overview

Employee health is fundamental to the success of business and the growth and quality of life in Milwaukee. Therefore, under the leadership of the Greater Milwaukee Committee, the City of Milwaukee, and the Metropolitan Milwaukee Association of Commerce, the Well City Milwaukee initiative undertook a three year process to become a Well City USA – a designation awarded by the Wellness Council of America (WELCOA). The process started in 2006 and was formally launched in early 2007.

To achieve the Well City designation, 20 percent of Milwaukee's workforce (about 50,000 people) must be employed by companies that have implemented comprehensive employee wellness programs and met Well Workplace Award criteria. Employers were required to complete the Well Workplace accreditation award application by the end of 2009. In March, 2010, the Well City Milwaukee Executive Committee received notification from WELCOA that Milwaukee had officially achieved the designation of Well City USA.

While workplace programs were successfully implemented across the community, the question of their impact and outcomes remained unanswered. The next logical step was to undertake a process of documenting the overall results of the programs within

the employer workforce, environment and to their bottom line.

Participating member employers each implemented different programs, had different evaluation strategies, and had different priorities in terms of what they measure and where they wanted to see impact and outcomes. Conducting a large scale research study involving all member employers was unrealistic. Thus, five participating employers, of various sizes and sectors, were recruited to serve as case study examples.

Well City Milwaukee contracted with an evaluation consultant, Core Health Group, to conduct employer interviews, gather and analyze data provided by the participating organizations, and prepare the case study reports.

The Case Study Project concluded that although program impact and outcomes varied from one company to another, workplace wellness had a significant impact on improving employee health, organizational culture and health cost savings.

The Case Study Process

With the objective of studying a variety of types of businesses, participating organizations were selected by Well City Milwaukee leadership based on their size, business sector and willingness to participate.

Organization	Number of Employees In Milwaukee	Business Sector	Year Formal Launch of Wellness Program	Well Workplace Award
Helwig Carbon Products	244	Manufacturing	2004	Gold 2008
Metropolitan Milwaukee Association of Commerce	35	Association	2004	Small Business 2008
Northwestern Mutual	5000	Financial	1993	Gold 2009
P&H Mining – a Joy Global Inc. Company	1200	Manufacturing	2004	Gold 2009
PyraMax Bank	123	Banking	2005	Gold 2008



Interviews were conducted with wellness program managers, members of the wellness team, senior leadership, and individual employees. Background information about each employer was drawn from the interviews, employer websites and recent press coverage. Participating employers were asked to provide the evaluation consultant with program evaluation reports and outcomes documentation relating to their wellness initiatives including:

- Completed Well Workplace Application
- Health Risk Assessment (HRA) aggregate reports
- Medical claims utilization and health cost data
- Worker's compensation data
- Sick leave or absenteeism statistics
- Employee satisfaction surveys
- Culture audits
- Employee testimonials
- Intervention/activity evaluations
- Cost benefit or return on investment analysis

Outside resources used for comparison and analysis to state and national health status, health risk and medical costs, and health care cost trends included 1) Towers Perrin's *Health Care Cost Survey* for 2005 - 2009, 2) Centers for Disease Control and Prevention's *BRFSS prevalence and trends data*, 3) Centers for Disease Control and Prevention's *The Health Effects of Overweight and Obesity*, and 4) University of Michigan Health Management Research Center's *Worksite Wellness: Cost Benefit Analysis and Report 1979 to 2005*.

Overall Employee Health Status and Economic Impact

Overall changes in employee health status and the economic impact varied, depending upon the organizations program design, priorities, evaluation process, and experience and history in workplace wellness. For most participants the long term business strategy included:

- Achieving lower health costs
- Improving individual employee health and productivity
- Improving aggregate group health outcomes

All participating companies had measured, analyzed, and reported year to year changes in health status. However for some, a system to track annual health costs and productivity outcomes had not yet been put in place.

- Helwig Carbon Products has methodically tracked health outcomes and health costs since the inception of their wellness program in 2004. They have realized impressive improvements in overall employee health and a cost savings below the national average in total per employee health costs. Based on projected health care savings, company executives estimate their return on investment to be 1.6 to 1.
- Helwig also experienced a positive shift in aggregate health risk status. Between the first year of the wellness program (baseline 2004) and the five year period following the launch (2005-2009) the percent of employees in the minimal risk category increased from 16% to 30%, and the percent in high risk category decreased from 30% to 23%. Productivity improved as well. Measured in terms of product shipped per employee per hour, productivity was 17% higher from 2005-2009 than the five year period before the wellness program.
- Northwestern Mutual experienced similar improvements in aggregate health risks. Their average number of health risks per employee has decreased since the launch of their wellness program in 2004. In comparing the number of health risks for employees with one or more previous HRA between 2004 and 2006 to the HRA results for the same group of employees in 2007, the company saw a statistically significant decrease of 5% in the number of health risks per employee. Additionally, they saw an improvement in their



overall health risk profile, with employees moving from higher to lower health risk categories.

- Northwestern Mutual credits their wellness program for beating the upward trend in overweight and obesity. During a period when the trends in Wisconsin and the nation as a whole are increasing, Northwestern Mutual has helped employees manage weight gain. The percent of overweight employees has remained stable at 35% since 2006 and has been consistently below both national and state averages since the company started tracking this information in 2004.
- Overall employee health status improved for the MMAC. The Overall Wellness Score (OWS) which is based on employee behaviors and modifiable lifestyle habits reported in their annual HRA improved gradually each year of the program. In 2006 the OWS was 34, a score that is in the "Needs Improving/Fair" category. By 2009, they achieved an OWS of 50 which is in the "Doing Well/Good" range.
- Since 2005, the P&H Mining stretching program along with ergonomic improvements, personalized exercise plans, and "on-demand" coaching and treatment have helped employees manage their existing conditions while preventing future injuries. In an environment of rising health care costs, their workers' compensation costs have not increased and the number of strains and sprains is decreasing. Strains and sprains were reduced 36% and lost time reduced by 100% between the first quarter for fiscal year 2009 and fiscal year 2010.
- In addition to reduced medical expenses, PyraMax Bank measures the impact of their wellness program in terms of increased medical consumerism. From the inception of the program in 2005, company health costs were shared with employees and they were encouraged to be educated health consumers. PyraMax credits the

increased employee awareness of medical expenses and the heightened responsibility with self care to their positive financial outcomes. During a period when national employer health care costs have increased by an average of 7%, the costs at PyraMax have increased by an average of 2%. The savings has been shared with employees. Employee health insurance premiums at PyraMax have increased only twice during the past five years and each increase was less than 5%.

- Virtually, all organizations saw an increase in participation in their annual HRA or annual Health Screening process when they introduced financial incentives linked to health insurance premiums. When PyraMax introduced the premium based incentive, participation rates reached 100% of all employees and spouses enrolled in the health insurance plan. Helwig has reached more than 90% participation since introducing the premium linked financial incentive. At P&H some employees receive either a 3% health insurance premium reduction while others are eligible for a gas gift card. Although not directly linked to the health insurance premium, Northwestern Mutual uses a strong cash incentive of \$120 to encourage HRA participation, with resulting participation rates averaging 80%. The MMAC also offers a discount on health insurance premium for participation in the HRA.

Behavior Change Initiatives

To achieve WELCOA's Well Workplace designation, organizations must describe which health and productivity interventions they implemented and the evaluation results from these programs. Since all case study employers have been awarded the Well Workplace designation, it's not surprising that all shared information about the outcomes from these behavior change initiatives. Programs addressed tobacco cessation, physical activity, weight management, self-care, and stress management. A number of programs documented impressive results. A few are highlighted below:



- Northwestern Mutual's 12-week fitness center incentive motivated employees to attend onsite fitness classes. Overall timeslots filled increased from 75% to 84%. In addition, 80% of participants reported improvements in their general health as a result of attending the fitness classes on a regular basis.
- When stress was high, the wellness programming staff at PyraMax responded with the "My One Thing" program to address employee concerns and stress levels. 96% of employees who participated in the 8-week stress reduction campaign reported reduced stress levels.
- The MMAC put a unique twist on their walking program. Participants compete not only by tracking their daily steps; they can also win prizes through a scavenger hunt component. The hunt involves searching the blocks surrounding their downtown office for answers to the week's scavenger hunt question. About 50% of the staff gets involved. The walking program combined with the scavenger hunt promotes physical activity while encouraging teamwork and reduces employee stress.
- PyraMax's "Biggest Loser" healthy eating and weight management competition engages nearly 60% of all employees each year. Recently 73 employees from 15 teams lost a total of 450 pounds during the 8-week campaign. At the end of the program, 87% reported an increase in knowledge regarding physical activity and nutrition. Nearly 60% were motivated to continue their weight loss efforts.
- The P&H walking program, a corporate initiative involving all locations across the U.S. and Canada, encourages employees to set a four-week walking goal measured in number of minutes or steps walked per week. Participation for the Milwaukee-based employees has outpaced overall results at Joy Global, up more than 70% in one year.

Employees have embraced the walking program with 74% achieving their goals of increasing physical activity.

Personal Stories and Testimonials

In addition to the quantitative outcomes, three employers shared stories about employees and their families who benefited from the employer-sponsored health promotion initiatives and found value in wellness. These stories provide a glimpse into the positive impact wellness programs have on employee quality of life.

- A P&H employee successfully quit smoking after participating in a smoking cessation program offered at work. In addition to enjoying the health benefits that come with quitting, she rewarded herself for her healthier lifestyle and took the money saved from buying cigarettes and bought herself a new car.
- A PyraMax employee sent a note to his wellness team proudly announcing that he lowered his cholesterol by more than 60 points without medication. He thanked them for the heart healthy seminars, education about reading labels, and the walking programs that helped him achieve his goal.
- A survey at Northwestern Mutual revealed that fitness classes, programs, and facilities are highly valued by employees and help many maintain a regular exercise program when they otherwise would not. *"The convenience of our Fitness Center classes is essential to my exercise regimen. I would probably not exercise at all during the week if we did not have classes onsite – it would be unlikely that I would go offsite after work to exercise."* *"The fitness classes at Northwestern Mutual are one of my most cherished benefits."*

These personal testimonials and examples provide yet another means for demonstrating how wellness programs are helping employees make positive health behavior changes and achieve their wellness goals.



Observations and Conclusions

Statistically indisputable conclusions cannot be drawn from the small sample of very different companies studied, nor was this the intention of Well City

Milwaukee. Additionally, the evaluation, impact, and outcomes measurement process was dependent upon and limited to data and information provided to the evaluation consultants by the participating companies. Nevertheless, a number of observations and conclusions became apparent:

1. All of the studied organizations had strong senior leadership support. Company leaders felt that wellness was not only fiscally wise, it was equally important to show employees that they are valued; that their health and wellbeing and that of their families are important to the organization.
2. There is no absolute standard on what constitutes "acceptable" outcomes and impact measurement. Member employers have different priorities in where they want to see impact and outcomes. That being said, all participating companies verbalized, documented, and reported positive returns from their workplace wellness programs.
3. Although health cost savings was a primary reason for most organizations to begin wellness initiatives, systems or measures to track economic outcomes had not always been put in place.
4. Without exception, all participating companies measured and saw improvements in aggregate health status, as documented in improvements in overall wellness score, positive shifts in health risk profile, and reduction in the number and severity of work injury.
5. Overall, measurement of productivity was lacking. Most companies have not yet devoted attention to this measure.
6. Incentives linked to health insurance premiums and/or strong financial incentives significantly increased participation in Health Risk Assessments and health screenings.
7. Participation in intervention specific activities increased with program longevity, and as wellness was integrated into the company culture.
8. Interest surveys and culture audits indicate that most employees value wellness programs and activities. Results show that employees appreciate the support provided by their employer in making healthy lifestyle changes and see workplace wellness as a benefit.

The Business Journal of Milwaukee - October 4, 2010
<http://milwaukee.bizjournals.com/milwaukee/stories/2010/10/04/story2.html?b=1286164800%5E4024491>

[Sign In / Register](#)

The Business Journal SERVING GREATER MILWAUKEE

Friday, October 1, 2010 | Modified: Saturday, October 2, 2010, 2:09am CDT

Exercising options: Firms see returns as wellness programs begin to pay off

The Business Journal of Milwaukee - by Corrinne Hess

Like many companies, **Helwig Carbon Products Inc.** in 2004 was tired of seeing its health care costs soar to new heights. Rather than remaining content to write bigger checks to its insurer, company executives decided to take action by investing in a comprehensive wellness program.

Six years later, Helwig Carbon, Milwaukee, estimates that for every \$1 spent on wellness, the company gets \$1.60 in return.

"Over these six years, Helwig has added onto its wellness program and worked hard to build a full culture of wellness," said Susanne Lane Cragg, the company's health and wellness coordinator. "It's going to continue and it's going to grow and grow."

Helwig is not alone in this arena. Double-digit increases in health care costs over the last five years have prompted several Milwaukee-area companies to turn their focus to wellness.

The investments are costly and in Helwig Carbon's case the company spends between \$50,000 and \$100,000 per year on wellness for its 244 employees. But recent studies from wellness companies and groups such as the **Wellness Council of Wisconsin** show the return on investment can be as high as \$6 for every \$1 spent.

After a program is in place for two to three years, employers can expect a 3-to-1 return on investment by changing employee behaviors, which leads to fewer health care claims, a reduction in work-related injuries and increased productivity, said Janet McMahon, executive director of Well City Milwaukee, a branch of the Wellness Council of Wisconsin, which was founded in 1985 by the business community.

"But, that's only if programs take on a comprehensive approach," McMahon said. "For the most part, a company gets involved in employee wellness for financial reasons, but stays in it because it's the right thing to do."

Employee retention is one of the reasons **Heartland Advisors**, Milwaukee, started its wellness program in fall 2009. And while Paul Beste, the company's chief operating officer, is hoping the program will have some impact on health care costs when the company renews its insurance for next year, he isn't counting on it.

Heartland, which has about 50 employees, has always had an on-site fitness center, but noticed only a small group of people were committed to using it consistently.

The company now offers fitness classes and a personal trainer and pays the fee for employees for the first six weeks of class, spending about \$300 per person. If the employee wants to take subsequent classes, Heartland pays 50 percent of the cost.

Beste said the company has discussed expanding the wellness program to include health risk assessments, but is hesitant because of privacy issues.

"I'm not optimistic that in the short run this is going to help with our costs," Beste said. "But I think in the long run people being more active and cognizant of their health issues will keep them from having chronic illnesses or additional health care expenses. And if it makes employees healthier and happier, that will have a huge impact on the company."

Patrick Trotter, president of **Health Solutions Ltd.**, Sheboygan, said anything a company does to address wellness is a good thing, but if employers truly want to lower their health care costs, pharmaceutical claims and short- and long-term disability cases, they need a multi-faceted wellness program that includes biometric screening, health risk assessments and coaching.

"The biggest mistake companies make about wellness is they don't realize they have to make an investment to get a return," said Trotter, who has about 2,400 clients nationwide and serves 80 companies in Wisconsin. "I can almost guarantee a company that in 24 to 36 months, they will have a \$5 to \$6 return on investment if 85 percent of employees participate and their program includes those three elements."

Getting results

From the beginning, Helwig Carbon's wellness program has included a health risk assessment, which is offered to all employees, regardless of whether or not they are part of the employee-sponsored health plan, and to spouses who are covered under the health plan.

MEDIA



In 2004, employee participation in the assessment was 69 percent. In 2009, participation was 84 percent with 90 percent of people on the health insurance plan participating.

After completing the screening process, employees meet with Cragg and, based on their results, are categorized into one of three risk categories, with the goal of moving the employees in the "high/extreme" risk category to the "moderate" or "minimal" risk category.

The program appears to be working. In 2004, only 20 percent of Helwig Carbon employees fell within the recommended body fat percentage for their age and sex. The percentage has increased to 41 percent. Employees have also improved their blood pressure. Initially, 44 percent had a blood pressure reading within the recommended range; it has since increased to 62 percent.

"We took our first steps on the wellness journey to rein in out-of-control health care costs," Jeff Koenitzer, chairman of the board and CEO, said in a written statement. "We take our current steps because we have seen the human and financial benefits that a well-founded wellness program can generate."

The existence of wellness programs has grown steadily since 2000 with now more than 430 employers representing more than 450,000 employees participating in Wisconsin, said Jessica Raddemann, executive director of the Wellness Council of Wisconsin.

For most employers, the long-term business strategy of a wellness program will achieve reduced health costs, improved individual health and productivity, and increased employee retention, Raddemann said.

"The rule of thumb to see a return on investment is three to five years and a \$3 return for every \$1 invested," Raddemann said.

Andy Serio, large group consultant for The Insurance Center, Onalaska, hasn't always been optimistic about the effectiveness of wellness programs. He said while he can't dispute the findings of Trotter and Well City Milwaukee, a wellness program will always work best when employees have "skin in the game."

"Wellness programs are beyond the feel-good and are done to meet a budget," Serio said. "They only work when they are part of an overall strategy to change health care costs or to retain an employee at the right compensation and benefit mix."

Lawrence Schreiber, Wisconsin president of **Anthem Blue Cross and Blue Shield**, Waukesha, said the return an employer will see is dependent on how engaged they are about driving the programs.

The goal, Schreiber said, is to commit to a culture of health.

"As an insurer, we are one step removed from associates and two from their families. It has to start with the employer," Schreiber said. "In some ways, it's self-serving for the employer, but I think it's also an employer's obligation to bring to the table the types of programs that enable people to live a healthy life."

Employers see positive signs from wellness programs

Case studies of the wellness programs at five Milwaukee-area companies showed that without exception, all participating companies saw improvements in employee health and a reduction in the number and severity of work injuries, issues that can greatly impact an employer's health care costs. The studies were completed earlier this year by Well City Milwaukee, which worked with evaluation consultant Core Health Group, Mequon.

Helwig Carbon Products

244 employees

Wellness program launched in 2004

- Lower health care costs per employee than the national average
- 1.6-to-1 return on investment
- Employee productivity 17 percent higher from 2005 to 2009

Metropolitan Milwaukee Association of Commerce

35 employees

Wellness program launched in 2004

- The overall wellness score, based on employee behaviors and lifestyle habits, has gradually improved. In 2006, the score was 34, which is in the "needs improving/fair" category. By 2009, the score was 50, which is in the "doing well/good" range.

Northwestern Mutual

5,000 employees

Wellness program launched in 1993

- 5 percent decrease in the number of health risks per employee
- Stabilized the percentage of overweight employees at 35 percent since 2006, below national and state averages

P&H Mining

1,200 employees

Wellness program launched in 2004

- Workers' compensation costs have not increased since 2005
- The number of "strains and sprains" employees experienced since 2005 has been reduced 36 percent
- Lost time has been reduced 100 percent between the first quarter of 2009 and the first quarter of 2010

PyraMax Bank

123 employees

Wellness program launched in 2005

- Health care costs have increased an average of 2 percent, compared with the national average of 7 percent
- Employee health insurance premiums have increased only twice during the past five years, each less than 5 percent

All contents of this site © American City Business Journals Inc. All rights reserved.